



STATE OF INDIANA

Request for Proposals 10-68

INDIANA DEPARTMENT OF ADMINISTRATION

On Behalf Of

**INDIANA FAMILY AND SOCIAL SERVICES
ADMINISTRATION/
OFFICE OF MEDICAID POLICY AND PLANNING**

Solicitation For:

Services for Diabetic Supply Program

Response Due Date: April 1, 2010

Stephanie Taylor
IDOA Senior Account Manager for FSSA & DCS
Indiana Government Center South
402 W. Washington St., Room W461
Indianapolis, IN 46204

RFP 10-68
SECTION ONE
GENERAL INFORMATION AND REQUESTED PRODUCTS/SERVICES

1.1 INTRODUCTION

In accordance with Indiana statute, including IC 5-22-9, the Indiana Department of Administration (IDOA), acting on behalf of the Family and Social Services Administration (FSSA), requires Rebates from one or more Respondents for the Diabetic Supply Program for the Office of Medicaid Policy and Planning (OMPP). It is the intent of IDOA to solicit responses to this Request for Proposals (RFP) in accordance with the statement of work, proposal preparation section, and specifications contained in this document. This RFP is being posted to the IDOA website (<http://www.IN.gov/idoa/2354.htm>) for downloading. A nominal fee will be charged for providing hard copies. Neither this RFP nor any response (proposal) submitted hereto are to be construed as a legal offer.

1.2 DEFINITIONS AND ABBREVIATIONS

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are more localized and defined where they appear, rather than in the following list.

Blood Glucose Monitor	A small, portable computerized device that measures blood glucose levels of blood deposited on a Blood Glucose Test Strip.
Blood Glucose Test Strip	A disposable product treated with a reagent that reacts to the glucose in a drop of blood.
Diabetic Supply Program	This program includes rebates for blood glucose test strips, blood glucose monitors at no charge to IHCP members which is inclusive of all Traditional Medicaid and Risk Based Managed Care Members or the State. It also includes education and support functions for all members, providers, state staff, and anyone working on behalf of the State.
IAC	The Indiana Administrative Code.
IC	The Indiana Code.
Indiana Health Coverage Programs (IHCP)	The joint federal-state medical assistance program as established, defined and administered pursuant to 42 U.S.C. 1396, et seq., in the State of Indiana.

IHCP Recipient or IHCP Member	Any person enrolled in the IHCP and eligible to receive prescription benefits, which is inclusive of all Traditional Medicaid and all Risk Based Members.
Implementation	The successful implementation of the Diabetic Supply Program for the OMPP at the Indiana Government Center as specified in the contract resulting from this RFP.
Installation	The delivery and physical setup of products or services requested in this RFP.
Invoice	The report that itemizes and aggregates, by NDC, the units for claims reimbursed by the OMPP for each Covered Product during a calendar quarter and any cover letter that accompanies said report.
Respondent	The entity identified above that is a party to this Agreement. For the purposes of this Agreement, Respondent shall also have the meaning set forth in 42 U.S.C. 1396r-8(k)(5), and also mean the entity holding legal title to or possession of the NDC for the Covered Products.
National Drug Code “NDC Number” or NDC	The identifying drug number maintained by the federal Food and Drug Administration (“FDA”). For the purposes of this Agreement, NDC shall mean the complete eleven (11) digit number including the Manufacturer code (first segment of five (5) digits), the product code (middle segment of four (4) digits) and the package code (last segment of two (2) digits).
Other Governmental Body	An agency, a board, a branch, a bureau, a commission, a council, a department, an institution, an office, or another establishment of any of the following: (1) The judicial branch. (2) The legislative branch. (3) A political subdivision (includes towns, cities, local governments, etc.) (4) A state educational institution (including charter schools).
Products	Tangible goods or manufactured items as specified in this RFP.
Proposal	An offer as defined in IC 5-22-2-17.
Rebate	A refund of some percentage of the amount expended with Respondent by IHCP members on Blood Glucose Test Strips. This

is to be paid on a calendar quarterly basis by the Respondent to the OMPP.

Respondent	An offeror as defined in IC 5-22-2-18. The State will not consider a proposal responsive if two or more offerors submit a joint or combined proposal. One entity or individual must be clearly identified as the Respondent who will be ultimately responsible for performance of the contract.
Services	Work to be performed as specified in this RFP.
SMAC Rate	Shall be the rate less than the State Maximum Allowable Cost.
State	The State of Indiana
State Agency	As defined in IC 4-13-1, “state agency” means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government.
Vendor	Any successful Respondent selected as a result of the procurement process to deliver the products or services requested by this RFP.

1.3 PURPOSE OF THE RFP

The purpose of this RFP is to select one or more vendor(s) that can fulfill the requirements of the State’s Diabetic Supply Program as described herein. It is the intent of FSSA to contract with one or more vendor(s) to fulfill the requirements of the Diabetic Supply Program described herein, including the rebated Blood Glucose Test Strips and free Blood Glucose Monitors for the IHCP Members. FSSA reserves the right to establish one or more preferred products, based on the overall savings to the State. The Respondents must agree to the conditions outlined in the rebate agreement located in ATTACHMENT E. This will be utilized for the Term of the Contract, without material alteration, for each Respondent should FSSA decide to enter into a contract pursuant to this solicitation.

FSSA, at its option, may enter into a Contract with one or more Respondents for the provision of blood glucose test strips based on FSSA’s determination of which of the Respondents’ proposals best meet the needs of Indiana Health Coverage Programs (“IHCP”) members, provide best value to the IHCP program, and otherwise achieve the goals of FSSA. FSSA may negotiate clarifications or modifications to a Respondent’s proposal in order to align such proposal more closely with FSSA policies, practices, and goals.

1.4 SUMMARY SCOPE OF WORK

1.4.1 SPECIFICATIONS

FSSA intends to enter into a Contract with one or more Respondents for the provision of Blood Glucose Test Strips as set forth in the Rebate Agreement and in accordance with the following specifications:

- A. Rebate offers must be expressed as a Guaranteed Net Unit Price (GNUP) for each National Drug Code (NDC) the Respondent wishes to be considered.
- B. The GNUP will be calculated as the State Maximum Allowable Cost (“SMAC”) for blood glucose test strips as determined by the OMPP in effect on the last day of the calendar quarter that corresponds to the calendar quarter for which the State utilization is reported to the Respondent, adjusted to reflect a per-unit rate (i.e., per test strip) currently \$0.7344 per unit minus the per-unit rebate for each submitted NDC.
- C. The Respondent must agree to supply test strip monitors at no charge to FSSA, IHCP members, IHCP Physicians and or Prescribers and Providers. Respondent must ensure that IHCP providers will be able to purchase Blood Glucose Test Strips for IHCP members for a price below the SMAC rate.
- D. The Respondent must agree to waive any processing and/or dispensing fee to FSSA for distribution of Blood Glucose Test Strips and/or Blood Glucose Test Strip Monitors.
- E. The Respondent shall submit to the State the proposed strategy to be used in order to ensure a comprehensive transition of IHCP members to a new blood glucose monitor. Please highlight a specific work plan for monitor distribution at no cost to the members and providers. At a minimum, this strategy must include providing a dedicated twenty-four (24) hour seven (7) days a week toll-free phone number and website for its customer service for blood glucose test strip monitor training. This strategy shall also include placement of staff members to educate and assist members in the initiation of the program, as well as to provide continued member education. Respondents shall assist in drafting communication to providers and members regarding changes associated with the rebate program and shall be responsible for all postage and handling costs. The Respondent shall provide information regarding the Respondent’s proven market share of blood glucose test strip products within the current IHCP population.

MINIMUM QUALIFICATIONS REQUIREMENTS

1.4.2 Provider Impact

Respondent shall describe in detail how the net cost ultimately incurred by the provider community is less than the SMAC Rate under the Diabetic Supply Program.

1.4.3 Quality Standards

The Respondent(s) and their product chosen for award **MUST** meet the following minimum qualification requirements for Blood Glucose Monitoring (BGM) Systems or their proposal will not be scored:

1.4.3.1 Assay Method

Dynamic electrochemistry, coulometric electrochemical sensor, glucose oxidase biosensor, or electrochemical.

1.4.3.2 Operating Ranges

A. Normal Operating Temperature

At a minimum, the normal operating temperature for the BGM systems shall be 50°F (Fahrenheit) to 104°F (Fahrenheit)

B. Humidity

At a minimum, the BGM systems shall be able to operate at ten percent (10%) to eighty percent (80%) relative humidity (RH)

C. Altitude

At a minimum, the BGM systems shall be able to operate at an altitude up to ten thousand (10,000) feet

1.4.3.3 Test Sample

Test sample shall test fresh whole blood

1.4.3.4 Blood Sample Size

Blood sample size shall not exceed one (1) microliter

1.4.3.5 Calibration

Calibration for the BGM systems shall be a plasma equivalent

1.4.3.6 Test Result

The test results for the BGM systems shall be referenced to plasma/serum glucose

1.4.3.7 Test Time

Test time for the BGM systems shall not exceed an average of five (5) seconds

1.4.3.8 Approved Test Sites

Approved test sites, at a minimum, shall be applied to the fingertips and forearm

1.4.3.9 Measurement Units

Measurement units shall be measured in Milligrams per Deciliter (mg/dL)

1.4.3.10 Reported Result Range

At a minimum, the range of reported result for the for the BGM systems, shall be 20mg/dL to 500mg/dL

1.4.3.11 Hematocrit Range

The hematocrit range shall be within fifteen percent (15%) to seventy percent (70%)

1.4.3.12 Language Options

At a minimum, language options for the BGM systems, shall be offered in both English and Spanish

1.4.3.13 Memory Capability

At a minimum, memory capability for the BGM systems, shall record and store two hundred and fifty (250) blood glucose results, control solution test results, as well as the date and time for each test conducted.

1.4.3.14 Battery Life

At a minimum, battery life, shall be able to administer five hundred (500) tests or operate for a period of four (4) months

1.4.3.15 Automatic Battery Shutoff

At a minimum, automatic battery shutoff for the BGM system, shall shutoff no more than two (2) minutes after the last action performed

1.4.3.16 Download Results

The BGM system shall have the ability to download test results to a computer

1.4.3.17 Warranty

At a minimum, the warranty for the BGM systems shall be for a period of three (3) years; if at any time during the warranty period the BGM does not work for any reason, the Respondent will replace it with a new monitor, or equivalent product, free of charge. The warranty policy applies only to the original owner/member of the monitor and does not include the battery supplied with the BGM system.

1.4.3.18 Customer Service Helpline

The Customer Service Helpline, shall be available twenty-four (24) hours per day, seven (7) days a week, three hundred sixty-five (365) days per year

1.4.3.19 Access to BGM systems

BGM systems shall be available at most local, major retail pharmacies, not only via mail order

1.4.3.20 Unit Rate

Unit Rate per Blood Glucose Test Strip shall be the same regardless of package size

1.4.3.21 Website

Respondent shall have a website available for users to download product manuals, basic diabetes educational materials, and training

1.4.4 Enhanced Services

Please describe any enhanced features that apply to your product or additional services you offer. For example:

- Alternate site testing
BGM systems that offer additional test sites other than fingertips and forearm
- Double Dosing
BGM systems with the ability to apply a second blood sample to the same Blood Glucose Test Strip to help reduce test strip waste
- Backlight
BGM systems that has a backlight display for reading test results
- Test strip port light
BGM systems that has a lighted test strip port for blood glucose testing in the dark
- Logbook
BGM systems that contain a pre- and post-meal markers, sick day markers, activity markers
- Testing reminders
BGM systems with a pre-meal and post-meal test reminder
- No coding or automatic coding
BGM system with no coding or automatic coding
- Wireless
Ability for BGM system to connect wirelessly and communicate with an insulin pump
- Audio-voice read out
BGM systems with audio voice readout of testing results
- Testing Results Averages
BGM system with the ability to provide seven (7) day, fourteen (14) day, thirty (30) day, and ninety (90) day averages of test results
- Testing Reminder Program
Respondent provides a blood glucose testing reminder program
- Other
Please indicate any other enhancements your product offers that is not listed above.

1.5 RFP OUTLINE

The outline of this RFP document is described below:

Section	Description
Section 1 – General Information and Requested Products or Services	This section provides an overview of the RFP, general timelines for the process, and a summary of the products/services being solicited by the State/Agency via this RFP
Section 2 – Proposal Preparation Instruction	This section provides instructions on the format and content of the RFP including a Letter of Transmittal, Business Proposal, Technical Proposal, and a Cost Proposal
Section 3 – Proposal Evaluation Criteria	This sections discusses the evaluation criteria to be used to evaluate respondents' proposals
Attachment A	M/WBE Participation Plan Form
Attachment B	Sample Contract
Attachment C	Indiana Economic Impact Form
Attachment D	Cost Proposal
Attachment E	Rebate Agreement

1.6 QUESTION/INQUIRY PROCESS

All questions/inquiries regarding this RFP must be submitted in writing by the deadline of **3:00 p.m. Eastern Time on March 09, 2010**. Questions/Inquiries may be submitted via fax (317-234-1281) or email rfp@idoa.IN.gov and must be received by Procurement Division by the time and date indicated above.

Following the question/inquiry due date, Procurement Division personnel will compile a list of the questions/inquiries submitted by all Respondents. The responses will be posted to the IDOA website according to the RFP timetable established in Section 1.23. The question/inquiry and answer link will become active after responses to all questions have been compiled. Only answers posted on the IDOA website will be considered official and valid by the State. No Respondent shall rely upon, take any action, or make any decision based upon any verbal communication with any State employee.

Inquiries are not to be directed to any staff member of the OMPP. Such action may disqualify Respondent from further consideration for a contract resulting from this RFP.

If it becomes necessary to revise any part of this RFP, or if additional information is necessary for a clearer interpretation of provisions of this RFP prior to the due date for proposals, an addendum will be posted on the IDOA website. If such addenda issuance is

necessary, the Procurement Division may extend the due date and time of proposals to accommodate such additional information requirements, if required.

1.7 DUE DATE FOR PROPOSALS

All proposals must be received at the address below by the Procurement Division no later than **3:00 p.m. Eastern Time on April 01, 2010**. Each Respondent must submit **one original hard-copy** (marked "Original") and **one original CD-ROM (marked "Original") and five (5) hard-copies** (marked "copy") and **one (1) complete copy on CD-ROM** (marked "copy") of the proposal, including the Transmittal Letter and other related documentation as required in this RFP. . The **original** CD-ROM will be considered the official response in evaluating responses for scoring and protest resolution . **The respondent's proposal response on this CD may be posted on the IDOA website, (<http://www.in.gov/idoa/2462.htm>) if recommended for selection.** The proposal shall be prepared with a minimum font size of ten (10) and be limited to one hundred (100) pages or 50 pages front and back, including all charts, graphs, or brochures. If the Respondent desires to add additional appendices, they may not be considered in the scoring. Each copy of the proposal must follow the format indicated in Section Two of this document. Unnecessarily elaborate brochures or other presentations, beyond those necessary to present a complete and effective proposal, are not desired. All proposals must be addressed to:

Stephanie Taylor
Indiana Department of Administration
Procurement Division
402 West Washington Street, Room W478
Indianapolis, IN 46204

If you hand-deliver solicitation responses:

To facilitate weapons restrictions at Indiana Government Center North and Indiana Government Center South, as of **July 21, 2008**, the public must enter IGC buildings through a designated public entrance. The public entrance to Indiana Government Center South is located at 302 W. Washington St. (the eastern-most Washington St. entrance). This entrance will be equipped with metal detectors and screening devices monitored by Indiana State Police Capitol Police.

Passing through the public entrance may take some time. Please be sure to take this information into consideration if your company plans to submit a solicitation response in person.

If you ship or mail solicitation responses: United States Postal Express and Certified Mail are both delivered to the Government Center Central Mailroom, and not directly to the Procurement Division. It is the responsibility of the Respondent to make sure that solicitation responses are received by the Procurement Division at the Department of Administration's reception desk on or before the designated time and date. Late submissions will not be accepted. The Department of Administration, Procurement Division clock is the official time for all solicitation submissions.

All proposal packages must be clearly marked with the RFP number, due date, and time due. Any proposal received by the Department of Administration, Procurement Division after the due date and time will not be considered. Any late proposals will be returned, unopened, to the Respondent upon request. All rejected proposals not claimed within 30 days of the proposal due date will be destroyed.

No more than one proposal per Respondent may be submitted.

The State accepts no obligations for costs incurred by Respondents in anticipation of being awarded a contract.

All proposals submitted to the State should be double-sided and printed on 30% post-consumer recycled content paper or tree-free paper. When possible, soy ink should be used.

1.8 PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held on **Friday, March 05, 2010 at 1:00 p.m., in Indiana Government Center South, Conference Room 14**. At this conference, potential respondents may ask questions about the RFP and the RFP process. Respondents are reminded that no answers issued verbally at the conference are binding on the State and any information provided at the conference, unless it is later issued in writing, also is not binding on the State.

1.9 MODIFICATION OR WITHDRAWAL OF OFFERS

Modifications to responses to this RFP may only be made in the manner and format described in Section 1.6 and clearly identified as a modification.

The Respondent's authorized representative may withdraw the proposal, in person, prior to the due date. Proper documentation and identification will be required before the Procurement Division will release the withdrawn proposal. The authorized representative will be required to sign a receipt for the withdrawn proposal.

Modification to, or withdrawal of, a proposal received by the Procurement Division after the exact hour and date specified for receipt of proposals will not be considered.

1.10 PRICING

Pricing on this RFP must be firm and remain open for a period of not less than 180 days from the proposal due date.

Please refer to the Cost Proposal sub-section under Section 2 for a detailed discussion of the proposal pricing format and requirements.

1.11 PROPOSAL CLARIFICATIONS AND DISCUSSIONS, AND CONTRACT DISCUSSIONS

The State reserves the right to request clarifications on proposals submitted to the State. The State also reserves the right to conduct proposal discussions, either oral or written, with Respondents. These discussions could include request for additional information, request for cost or technical proposal revision, etc. Additionally, in conducting discussions, the State may use information derived from proposals submitted by competing respondents only if the identity of the respondent providing the information is not disclosed to others. The State will provide equivalent information to all respondents which have been chosen for discussions. Discussions, along with negotiations with responsible respondents may be conducted for any appropriate purpose.

The Procurement Division will schedule all discussions. Any information gathered through oral discussions must be confirmed in writing.

A sample contract is provided in Attachment B. Any requested changes to the sample contract must be submitted with your response (See Section 2.3.5 for details). The State reserves the right to reject any of these requested changes. It is the State's expectation that any material elements of the contract will be substantially finalized prior to contract award.

1.12 BEST AND FINAL OFFER

The State may request best and final offers from those Respondents determined by the State to be reasonably viable for contract award. However, the State reserves the right to award a contract on the basis of initial proposals received. Therefore, each proposal should contain the Respondent's best terms from a price and technical standpoint.

Following evaluation of the best and final offers, the State may select for final contract negotiations/execution the offers that are most advantageous to the State, considering cost and the evaluation criteria in this RFP.

1.13 REFERENCE SITE VISITS

The State may request a site visit to a Respondent's working support center to aid in the evaluation of the Respondent's proposal. Site visits, if required will be discussed in the technical proposal.

1.14 TYPE AND TERM OF CONTRACT

The State intends to sign a contract with one or more Respondent(s) to fulfill the requirements in this RFP.

The term of the contract shall be for a period of two (2) years, with an anticipated start date of **July 1, 2010**. The Contract may be extended for two (2) optional one (1) year

periods, up to two (2) additional years at the discretion of the State and upon terms agreed to by both parties.

1.15 CONFIDENTIAL INFORMATION

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act (APRA), IC 5-14-3 *et seq.*, and, after the contract award, the entire RFP file may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked “Confidential” and must indicate in the Transmittal Letter and on the outside of that envelope that confidential materials are included. The Respondent must also specify which statutory exception of APRA that applies. The State reserves the right to make determinations of confidentiality. If the Respondent does not identify the statutory exception, the Procurement Division will not consider the submission confidential. If the State does not agree that the information designated is confidential under one of the disclosure exceptions to APRA, it may seek the opinion of the Public Access Counselor. Prices are not confidential information.

1.16 TAXES

Proposals should not include any tax from which the State is exempt.

1.17 PROCUREMENT DIVISION REGISTRATION

In order to receive an award, you must be registered as a bidder with the Department of Administration, Procurement Division. Therefore, to ensure there is no delay in the award all Respondents are strongly encouraged to register prior to submission of their response. Respondents should go to www.in.gov/idoa/2464.htm.

1.18 SECRETARY OF STATE REGISTRATION

If awarded the contract, the Respondent will be required to register, and be in good standing, with the Secretary of State. The registration requirement is applicable to all limited liability partnerships, limited partnerships, corporations, S-corporations, nonprofit corporations and limited liability companies. Information concerning registration with the Secretary of State may be obtained by contacting:

Secretary of State of Indiana
Corporation Division
402 West Washington Street, E018
Indianapolis, IN 46204
(317) 232-6576
www.in.gov/sos

1.19 COMPLIANCE CERTIFICATION

Responses to this RFP serve as a representation that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State, and it agrees that it will immediately notify the State of any such actions. The Respondent also certifies that neither it nor its principals are presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State. The Respondent agrees that the State may confirm, at any time, that no such liabilities exist, and, if such liabilities are discovered, that State may bar the Respondent from contracting with the State, cancel existing contracts, withhold payments to setoff such obligations, and withhold further payments or purchases until the entity is current in its payments on its liability to the State and has submitted proof of such payment to the State.

1.20 EQUAL OPPORTUNITY COMMITMENT

Pursuant to IC 4-13-16.5 and in accordance with 25 IAC 5, it has been determined that there is a reasonable expectation of minority and woman business enterprises subcontracting opportunities on a contract awarded under this RFP. Therefore a contract goal of 8% for Minority Business Enterprises and 8% for Woman Business Enterprises have been established and all respondents will be expected to comply with the regulation set forth in 25 IAC 5.

Failure to meet these requirements will affect the evaluation of your proposal.

1.21 MINORITY & WOMEN'S BUSINESS ENTERPRISES RFP SUBCONTRACTOR COMMITMENT

In accordance with 25 IAC 5-5, the respondent is expected to submit with its proposal a MWBE Subcontractor Commitment Form. The Form must show that there are, participating in the proposed contract, Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) listed in the Minority and Women's Business Enterprises Division (MWBED) directory of certified firms located at <http://www.in.gov/idoa/2352.htm>. If participation is met through use of vendors who supply products and/or services directly to the Respondent, the Respondent must provide a description of products and/or services provided that are directly related to this proposal and the cost of direct supplies for this proposal. Respondents must complete the Subcontractor Commitment Form in its entirety.

Failure to meet these goals will affect the evaluation of your Proposal. The Department reserves the right to verify all information included on the MWBE Subcontractor Commitment Form.

Respondents are encouraged to contact and work with MWBED at 317-232-3061 to design a subcontractor commitment to meet established goals as referenced in this solicitation.

Prime Contractors must ensure that the proposed subcontractors meet the following criteria:

- Must be listed on the IDOA Directory of Certified Firms
- Each firm may only serve as once classification – MBE or WBE
- A Prime Contractor who is an MBE or WBE must meet subcontractor goals by using other listed certified firms. Certified Prime Contractors cannot count their own workforce or companies to meet this requirement.
- Must serve a commercially useful function. The firm must serve a value-added purpose on the engagement.
- Must provide goods or service only in the industry area for which it is certified as listed in the directory at <http://www.in.gov/idoa/2352.htm>
- Must be used to provide the goods or services specific to the contract
- National Corporate Diversity Plans are generally not acceptable

MINORITY & WOMEN’S BUSINESS ENTERPRISES RFP SUBCONTRACTOR LETTER OF COMMITMENT

A signed letter(s), on company letterhead, from the MBE and/or WBE must accompany the MWBE Subcontractor Commitment Form. Each letter shall state and will serve as acknowledgement from the MBE and/or WBE of its subcontract amount, a description of products and/or services to be provided on this project and approximate date the subcontractor will perform work on this contract. The State will deny evaluation points if the letter(s) is not attached, not on company letterhead, not signed and/or does not reference and match the subcontract amount and the anticipated period that the Subcontractor will perform work for this solicitation.

By submission of the Proposal, the Respondent acknowledges and agrees to be bound by the regulatory processes involving the State’s M/WBE Program. Questions involving the regulations governing the MWBE Subcontractor Commitment Form should be directed to: Minority and Women’s Business Enterprises Division at (317) 232-3061 or mwbe@idoa.in.gov.

1.22 AMERICANS WITH DISABILITIES ACT

The Respondent specifically agrees to comply with the provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.* and 47 U.S.C. 225).

1.23 SUMMARY OF MILESTONES

The following timeline is only an illustration of the RFP process. The dates associated with each step are not to be considered binding. Due to the unpredictable nature of the evaluation period, these dates are commonly subject to change. At the conclusion of the evaluation process, all Respondents will be informed of the evaluation team's findings.

Key RFP Dates:

Activity	Date
Issue of RFP	February 26, 2010
Pre-Proposal Conference	March 05, 2010
Deadline to Submit Written Questions	March 09, 2010
Response to Written Questions/RFP Amendments	March 12, 2010
Submission of Proposals	April 01, 2010
<i>The dates for the following activities are target dates only. These activities may be completed earlier or later than the date shown.</i>	
Proposal Evaluation	April 16, 2010
Proposal Discussions/Clarifications (if necessary)	April 20, 2010
Oral Presentations (if necessary)	April 22, 2010
Best and Final Offers (if necessary)	April 27, 2010
Contract Award	May 7, 2010

SECTION TWO PROPOSAL PREPARATION INSTRUCTIONS

2.1 GENERAL

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is described in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the Respondent's proposal.
- The Transmittal Letter must be in the form of a letter. The business and technical proposals must be organized under the specific section titles as listed below.

2.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics except those specifically identified as "optional."

2.2.1 Agreement with Requirement in listed in Section 1

The Respondent must explicitly acknowledge understanding of the general information presented in Section 1 and agreement with any requirements/conditions listed in Section 1.

2.2.2 Summary of Ability and Desire to Supply the Required Products or Services

The Transmittal Letter must briefly summarize the Respondent's ability to supply the requested products and/or services that meet the requirements defined in Section 2.4 of this RFP. The letter must also contain a statement indicating the Respondent's willingness to provide the requested products and/or services subject to the terms and conditions set forth in the RFP including, but not limited to, the State's mandatory contract clauses.

2.2.3 Signature of Authorized Representative

A person authorized to commit the Respondent to its representations and who can certify that the information offered in the proposal meets all general conditions including the information requested in Section 2.3.4, must sign the Transmittal Letter. **In the Transmittal Letter, please indicate the principal contact for the proposal along with an address, telephone and fax number as well as an e-mail address, if that contact is different than the individual authorized for signature.**

2.2.4 Respondent Notification

Unless otherwise indicated in the Transmittal Letter, Respondents will be notified via e-mail.

It is the Respondent's obligation to notify the Procurement Division of any changes in any address that may have occurred since the origination of this solicitation. The Procurement Division will not be held responsible for incorrect vendor/contractor addresses.

2.2.5 Other Information

This item is optional. Any other information the Respondent may wish to briefly summarize will be acceptable.

2.3 BUSINESS PROPOSAL

The Business Proposal must address the following topics except those specifically identified as "optional."

2.3.1 General (optional)

This section of the business proposal may be used to introduce or summarize any information the Respondent deems relevant or important to the State's successful acquisition of the products and/or services requested in this RFP.

2.3.2 Respondent's Company Structure

The legal form of the Respondent's business organization, the state in which formed (accompanied by a certificate of authority), the types of business ventures in which the organization is involved, and a chart of the organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested products and/or services in the United States must be described in more detail than other components of the organization.

2.3.3 Company Financial Information

This section must include the Respondent's financial statement, including an income statement and balance sheet, for each of the two most recently completed fiscal years. The financial statements must demonstrate the Respondent's financial stability. If the financial statements being provided by the Respondent are those of a parent or holding company,

additional financial information should be provided for the entity/organization directly responding to this RFP.

2.3.4 Integrity of Company Structure and Financial Reporting

This section must include a statement indicating that the CEO and/or CFO has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the organization assures board integrity, and the separation of audit functions and consulting services. The State will consider the information offered in this section to determine the responsibility of the Respondent under IC 5-22-16-1(d).

The Sarbanes Oxley Act of 2002, H.R. 3763, is NOT directly applicable to this procurement; however, its goals and objectives may be used as a guide in the determination of corporate responsibility for financial reports.

2.3.5 Contract Terms/Clauses

A sample contract that the state expects to execute with the successful Respondent is provided in Attachment B. All clauses in this contract are mandatory and non-negotiable. It is the State's expectation that the final contract will be substantially similar to the sample contract provided in Attachment B.

In your Transmittal Letter please indicate acceptance of all contract terms (see section 2.2.2). Respondents should review these clauses in detail because a specific agreement to these clauses is required in the Transmittal Letter. Failure to include a clear, specific, unequivocal agreement to all clauses may result in disqualification of the proposal from further evaluation.

If you are requesting additional contract terms that are consistent with the sample contract in Attachment B, please include them in this section. To reiterate, it is the State's strong desire to not deviate from the contract provided in the attachment. The State reserves the right to reject any and all of these requested additional terms.

Any or all portions of this RFP and any or all portions of the Respondents response may be incorporated as part of the final contract.

2.3.6 References

The Respondent must include a list of at least three (3) clients for whom the Respondent has provided products and/or services that are the same or similar to those products and/or services requested in this RFP. It is highly preferred Respondent submits three (3) to five (5) references from comparable public sector programs or states. Information provided should include the name, address, and telephone number of the client facility and the name, title, and phone/fax numbers of a person who may be contacted for further information.

Information provided should include an overall description of the project, the name, address, and telephone number of the client facility and the name, title, and phone/fax numbers of a person who may be contacted for further information.

2.3.7 Registration to do Business

Secretary of State

If awarded the contract, the Respondent will be required to be registered, and be in good standing, with the Secretary of State. The registration requirement is applicable to all limited liability partnerships, limited partnerships, corporations, S-corporations, nonprofit corporations and limited liability companies. The Respondent must indicate the status of registration, if applicable, in this section of the proposal.

Department of Administration, Procurement Division

Additionally, respondents must be registered with the IDOA. This can be accomplished on-line at <http://www.in.gov/idoa/2464.htm> .

The IDOA Procurement Division maintains two databases of vendor information. The Bidder registration database is set up for vendors to register if you are interested in selling a product or service to the State of Indiana. Respondents may register on-line at no cost to become a Bidder with the State of Indiana. To complete the on-line Bidder registration, go to <http://www.in.gov/idoa/2464.htm>. The Bidder registration offers email notification of upcoming solicitation opportunities, corresponding to the Bidder's area(s) of interest, selected during the registration process. Respondents do need to be registered to bid on and receive email notifications. Completion of the Bidder registration will result in your name being added to the Bidder's Database, for email notification. The Bidder registration requires some general business information, an indication of the types of goods and services you can offer the State of

Indiana, and locations(s) within the state that you can supply or service. There is no fee to be placed in Procurement Division's Bidder Database. To receive an award, you must be registered as a bidder.

Problems or questions concerning the registration process or the registration form can be e-mailed to Amey Redding, Vendor Registration Coordinator, aredding@idoa.in.gov, or you may reach her by phone at (317) 234-3542.

2.3.8 Authorizing Document

Respondent personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

2.3.9 Subcontractors

The Respondent is responsible for the performance of any obligations that may result from this RFP, and shall not be relieved by the non-performance of any subcontractor. Any Respondent's proposal must identify all subcontractors and describe the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Respondent must be in compliance with all State statutes, and will be subject to the provisions thereof. For each portion of the proposed products or services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in the State's evaluation. The Respondent must furnish information to the State as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate State officials, and such relationships must meet with the approval of the State.

The Respondent must list any subcontractor's name, address and the state in which formed that are proposed to be used in providing the required products or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, the subcontractor's

form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal. The Respondent must indicate which, if any, subcontractors qualify as a Minority or Women Owned Business under IC 4-13-16.5-1. See Section 1.21 and Attachment A for Minority and Women Business information.

2.4 TECHNICAL PROPOSAL

The Technical Proposal must be divided into the sections as described below. Every point made in each section must be addressed in the order given. The same outline numbers must be used in the response. RFP language should not be repeated within the response. Where appropriate, supporting documentation may be referenced by a page and paragraph number. However, when this is done, the body of the technical proposal must contain a meaningful summary of the referenced material. The referenced document must be included as an appendix to the technical proposal with referenced sections clearly marked. If there are multiple references or multiple documents, these must be listed and organized for ease of use by the State.

2.4.1 Implementation

2.4.1.1 Implementation Plan

Respondent should describe, in detail, the anticipated approach that will be used in order to implement operational aspects of the Diabetic Supply Program for the IHCP members (e.g., distribution, communication, education, staffing, reporting, meetings, rebate administration).

2.4.1.2 Transition Timeframe

Respondent should provide an estimation of the timeframe necessary to fully transition the IHCP population to a diabetic supply program which includes the distribution of diabetic monitors and blood glucose testing strips to all eligible IHCP members with diabetes in the State of Indiana.

2.4.1.3 Work Breakdown Schedule

Respondent shall include a detailed timeline and description for the completion of all steps necessary to implement the program as defined in this RFP.

2.4.1.4 Product Availability

Respondent shall describe in detail how they will ensure full access and availability, including regional 'mapping' (geo maps, availability by zip code or county) of diabetic monitors and testing strips throughout the available supply chain (pharmacies, pharmacy networks, etc).

2.4.1.5 Education

Respondent shall describe what steps will be taken to provide education during the implementation phase regarding blood glucose monitors, blood glucose test strips, operational processes, and other key elements to the State and IHCP members.

2.4.2 Transition Plan

2.4.2.1 Respondent shall describe the steps to be taken in order to ensure a fully effective and optimal transition from existing Medicaid diabetic products to the Respondent's products.

2.4.2.2 Respondent shall describe in detail the assistance Respondent will provide, prior to implementation, in terms of the following: A) Provider education regarding available products and supplies and the appropriate use of such items, B) Education to pharmacies and DME providers regarding the availability and distribution of aforementioned supplies, C) Other entities as designated by the OMPP.

2.4.3 Member Education

2.4.3.1 Respondent shall describe how they will go about transitioning IHCP members with diabetes to blood glucose monitors and blood glucose test strip supplies that are potentially new to the IHCP member. Respondent shall also describe the educational steps that are included in this process.

2.4.3.2 Respondent shall describe the type of information (literature, web-based application, telephonic services) that the Respondent shall provide to IHCP. Respondent shall provide a description of accessibility of each of these forms of information (e.g., hours of service, web addresses, search functionality, toll-free numbers).

2.4.3.3 Respondent shall describe how information provided to members will be kept current. Respondent shall indicate the frequency at which updates shall occur.

2.4.4 Product Quality

2.4.4.1 Technical Interface

Respondent shall describe how their product can assist members in managing their medical condition. An example would include the ability of the device to connect to software applications and display user blood glucose results.

2.4.4.2 Recall Plan

Respondent shall provide a plan that explains how IHCP members and the State will be notified of any recalled products. Respondent shall also explain how

recalled products will be replaced.

2.4.5 Staffing Plan

2.4.5.1 Staffing Level

Respondent shall provide to the OMPP a full listing of the total number of staff required for the successful implementation of diabetic supply program. Respondent shall also identify the names and titles of proposed staff members for both the respondent and any subcontractors and provide information as to the relevant experience and background of proposed staff. Respondent shall include resumes for proposed managerial staff and project manager in an appendix of the proposal. Respondent shall also provide an organizational chart of staff.

2.4.5.2 Qualification Requirements

Respondent shall identify the specific role of each staff member allocated to this endeavor and the anticipated Full-Time Employee (“FTE”) requirements for each (e.g., executive level, field representatives, operations, educators, call staff). Response should be as complete as possible. Respondent shall provide a description of the tasks to be performed by each proposed staff member and estimates of the staff-hours to be provided by each individual.

2.4.5.3 Dedicated Staff

Respondent shall distinguish the name and position of implementation staff and dedicated staff that shall remain to manage and administer the diabetic supply program.

2.4.6 Performance Standards

2.4.6.1 Respondent shall describe in detail the performance standards that are in place for Respondent’s product (product specific). Respondent shall demonstrate superiority in product quality compared to other comparable products.

2.4.6.2 Respondent shall describe performance standards as they relate to the following; education, implementation, reporting, support, access, other.

2.4.7 Reports

2.4.7.1 Respondent shall describe in detail the reports that will be provided to the OMPP including but not limited to the following metrics: market share; monitor and strip distribution; recalled monitor/strip data; member complaints; number of units provided to members; customer support call volume; Food Drug Administration (“FDA”) notifications, product recalls. Respondent should include the reporting frequency.

2.4.7.2 Respondent shall describe the unit of measure proposed for each reporting category above.

2.4.8 Member Satisfaction

2.4.8.1 Member Surveys

Respondent shall outline in detail the method, approach, and frequency Respondent will use to administer and collect member satisfaction surveys.

2.4.9 Meetings

Respondent shall propose a Meeting plan for the implementation, maintenance, and transition period. The Respondent shall also confirm that they will be responsible for scheduling meetings, providing a meeting agenda, and produce a copy of the meeting minutes at the State's request.

2.5 COST PROPOSAL

For the cost proposal, Respondent shall complete the Attachment D, Cost Proposal, Excel spreadsheet file with the appropriate data elements. Respondent shall fill all required fields. The baseline for this RFP is a rebate percentage of 30%.

2.6 INDIANA ECONOMIC IMPACT

All companies desiring to do business with state agencies must complete an "Indiana Economic Impact" form (Attachment C). The collection and recognition of the information collected with the Indiana Economic Impact form places a strong emphasis on the economic impact a project will have on Indiana and its residents regardless of where a business is located. The collection of this information does not restrict any company or firm from doing business with the state.

2.7 BUY INDIANA INITIATIVE/INDIANA COMPANY

It is the Respondent's responsibility to confirm its Buy Indiana status for this portion of the process. If a Respondent has previously registered its business with IDOA, go to <http://www.in.gov/idoa/2464.htm> and click on the link to update this registration. Click the tab titled Buy Indiana. Select the appropriate category for your business. Respondents may only select one category. Certify this selection by clicking the check box next to the certification paragraph. Once this is complete, save your selection and exit your account.

Respondents that have not previously registered with IDOA must go to <http://www.in.gov/idoa/2464.htm> and click on the link to register. During the registration

process, follow the steps outlined in the paragraph above to certify your business' status. The registration process should be complete at the time of proposal submission.

Defining an Indiana Business:

“Indiana business” refers to any of the following:

- (1) A business whose principal place of business is located in Indiana.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
- (3) A business that employs Indiana residents as a majority of its employees.

Respondents claiming this status must indicate which of the provisions above qualifies them as an Indiana business. They must also fully complete the Indiana Economic Impact Form (Attachment C) and include it with their response.

The following is the policy concerning items 4 & 5 described below. Appropriate documentation must be provided with your proposal response supporting either claim made below:

- (4) A business that makes significant capital investments in Indiana.
- (5) A business that has a substantial positive economic impact on Indiana.

Substantial Capital Investment:

Any company that can demonstrate a minimum capital investment of \$5 million or more in plant and/or equipment or annual lease payments of \$2.5 million or more shall qualify as an Indiana business under category #4. If an out of state company does not meet one of these criteria, it can submit documentation/justification to the State for review for inclusion under this category.

Substantial Indiana Economic Impact:

Any company that is in the top 500 companies (adjusted) for one of the following categories: number of employees (DWD), unemployment taxes (DWD), payroll withholding taxes (DOR), or Corporate Income Taxes (DOR); it shall qualify as an Indiana business under category #5. If a Respondent needs assistance in determining if its business qualifies under this criterion, please send an email inquiry to buyindianainvest@idoa.in.gov and you will receive a response within forty-eight (48) hours. If an out of state company does not meet one of these criteria, it can submit documentation/justification to the State for review for inclusion under this category.

SECTION THREE PROPOSAL EVALUATION

3.1 PROPOSAL EVALUATION PROCEDURE

The State has selected a group of personnel to act as a proposal evaluation team. Subgroups of this team, consisting of one or more team members, will be responsible for evaluating proposals with regard to compliance with RFP requirements. All evaluation personnel will use the evaluation criteria stated in Section 3.2. The Commissioner of IDOA or his designee will, in the exercise of his sole discretion, determine which proposals offer the best means of servicing the interests of the State. The exercise of this discretion will be final.

The procedure for evaluating the proposals against the evaluation criteria will be as follows:

- 3.1.1 Each proposal will be evaluated for adherence to requirements on a pass/fail basis. Proposals that are incomplete or otherwise do not conform to proposal submission requirements may be eliminated from consideration.
- 3.1.2 Each proposal will be evaluated on the basis of the categories included in Section 3.2. A point score has been established for each category.
- 3.1.3 If technical proposals are close to equal, greater weight may be given to price.
- 3.1.4 Based on the results of this evaluation, the qualifying proposal determined to be the most advantageous to the State, taking into account all of the evaluation factors, may be selected by IDOA and FSSA, through OMPP for further action, such as contract negotiations. If, however, IDOA and FSSA, through OMPP decide that no proposal is sufficiently advantageous to the State, the State may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, IDOA may begin contract preparation with the next qualified Respondent or determine that no such alternate proposal exists.

3.2 EVALUATION CRITERIA

Proposals will be evaluated based upon the proven ability of the Respondent to satisfy the requirements of the RFP in a cost-effective manner. Each of the evaluation criteria categories is described below with a brief explanation of the basis for evaluation in that category. The points associated with each category are indicated following the category name (total maximum points = 105). Negative points may be assigned in the cost score. Additionally, there is an opportunity for a bonus of five points if certain criteria are met.

For further information, please reference Section 3.2.3 below. If any one or more of the listed criteria on which the responses to this RFP will be evaluated are found to be inconsistent or incompatible with applicable federal laws, regulations or policies, the specific criterion or criteria will be disregarded and the responses will be evaluated and scored without taking into account such criterion or criteria.

Summary of Evaluation Criteria:

Criteria	Points
1. Adherence to Mandatory Requirements	Pass/Fail
2. Management Assessment/Quality (Business and Technical Proposal)	25 points
3. Cost (Cost Proposal)	30 points (5 bonus points available if certain criteria is met)
4. Indiana Economic Impact	15
5. Buy Indiana	10
6. Minority (10) and Women Business (10) Subcontractor Commitment	20
Total	100 (105 if bonus awarded)

All proposals will be evaluated using the following approach.

Step 1

In this step proposals will be evaluated only against Criteria 1 to ensure that they adhere to Mandatory Requirements. Any proposals not meeting the Mandatory Requirements will be disqualified.

Step 2

The proposals that meet the Mandatory Requirements will then be scored based on Criteria 2 and 3 ONLY. This scoring will have a maximum possible score of 55 points with a potential of 5 bonus points if certain criteria are met. All proposals will be ranked on the basis of their combined scores for Criteria 2 and 3 ONLY. This ranking will be used to create a “short list”. Any proposal not making the “short list” will not be considered for any further evaluation.

Step 2 may include one or more rounds of proposal discussions focused on cost and other proposal elements.

Step 3

The short-listed proposals will then be evaluated based on all the entire evaluation criteria outlined in the table above.

If the State conducts additional rounds of discussions and a BAFO round which lead to changes in either the technical or cost proposal for the short listed Respondents, their scores will be recomputed.

The section below describes the different evaluation criteria.

3.2.1 Adherence to Requirements – Pass/Fail

Respondents passing this category move to Phase 2 and proposal is evaluated for Management Assessment/Quality and Price.

The following 2 categories can not exceed 55 points.

3.2.2 Management Assessment/Quality - **25** points

3.2.3 Price – **30** points available

Price will be measured against the State’s expected rebate percentage baseline for this scope of work. Cost scoring points will be assigned as follows:

- Respondents who meet the State’s current baseline cost will receive zero (0) cost points.
- Respondents who propose a rebate percentage that is higher than the baseline will receive positive points.
- Respondents who propose a rebate percentage that is lower than the baseline will receive negative points.
- The proposed rebate for the Respondent’s proposal as calculated in Attachment D (Pricing Proposal Template) will be used to evaluate the Respondent’s price. Points will be awarded based on a graduated scale. The Respondent with the highest rebate percentage will be awarded the maximum points. Points will be awarded to the remaining Respondents proportionately.
- If multiple Respondents decrease costs below 10% of the current baseline, an additional 5 points will be added to the Respondent proposing the highest rebate to the State.

3.2.4 Indiana Economic Impact (15 points)

See Section 2.6 for additional information.

The total number of full time equivalent (FTE – please see Section 1.2 for a definition of FTE’s) Indiana resident employees for the Respondent’s

proposal (prime contractor and subcontractors) will be used to evaluate the Respondent's Indiana Economic Impact. Points will be awarded based on a graduated scale. The Respondent with the most Indiana FTEs will be awarded 15 points. Points will then be awarded to the remaining Respondents proportionately.

3.2.5 Buy Indiana Initiative – 10 points

Respondents qualifying as an Indiana Company as defined in Section 2.7 will receive 10 points in this category.

3.2.6 Minority (10 points) & Women's Business (10 points) Subcontractor Commitment - (20 points).

The following formula will be used to determine points to be awarded:

The commitment factor for each proposal will be calculated by multiplying the commitment percentage by one hundred. The RFP score ratio will be determined by dividing the maximum allowable points by the highest commitment factor. The proposal with the highest commitment factor will be given the maximum allowable points. The points awarded to the other proposals will be calculated by multiplying the score ratio by the proposed commitment factor.

Commitment percentage * 100 = commitment factor

Maximum allowable points/highest commitment factor = score ratio

Commitment factor * score ratio = points awarded

The Commissioner of IDOA or his designee will, in the exercise of his sole discretion, determine which proposal(s) offer the best means of servicing the interests of the State. The exercise of this discretion will be final.